AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 24-0171

AUTHORIZATION TO SEEK BOARD OF SUPERVISORS APPROVAL OF TERM CONTRACT NO. 71100 WITH GILLIG, LLC FOR THE PURCHASE OF UP TO FORTY-NINE (49) 40-FOOT ELECTRIC TRANSIT BUSES FOR A CONTRACT AMOUNT NOT-TO-EXCEED $69,417,759.56, WITH A TERM OF FOUR YEARS

WHEREAS, San Francisco International Airport (SFO or Airport) maintains a fleet of 50 buses, operating three lines which carried 3.2 million unlinked passenger trips in calendar year 2023, with 38 of those vehicles being 15 years old or older and the remaining 12 buses being 5-7 years old; and

WHEREAS, the Federal Transit Administration specifies that transit buses typically have a 12-year useful life and SFO has launched a new GoSFO Shuttle Commuter bus line and has plans to expand this successful program, which could require purchasing additional buses; and

WHEREAS, on May 2, 2024, the San Francisco Office of Contract Administration, which awards commodities contracts like vehicle procurements under the Administrative Code, acting on behalf of the Airport Commission, issued an invitation for bids for 40-foot battery electric transit buses; and

WHEREAS, two bidders submitted bids and Staff determined that Gillig, LLC's bid was the lowest responsive and responsible bid at a cost of $1,136,799 plus taxes per bus; and

WHEREAS, the Airport was awarded multiple grants to support this purchase from the Federal Aviation Administration and the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project, the acceptance of which was previously approved by the Commission by Resolution Nos. 22-0073, 22-0074, 23-0240, and 23-0241; now, therefore, be it

RESOLVED, that as the Contract exceeds $10,000,000, this Commission hereby authorizes and directs the Airport to request and receive approval from the Board of Supervisors for the award of Term Contract No. 71100 for the purchase of up to forty-nine (49) new 40-foot low floor battery electric transit buses to Gillig, LLC in an amount not to exceed $69,417,759.56, with a term of four years, as required for this award pursuant to San Francisco Charter Section 9.118(b).

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of AUG 20 2024

Secretary

SAN FRANCISCO INTERNATIONAL AIRPORT

MEMORANDUM
August 20, 2024

TO: AIRPORT COMMISSION
Hon. Malcolm Yeung, President
Hon. Everett A. Hewlett, Jr., Vice President
Hon. Jane Natoli
Hon. Jose F. Almanza
Hon. Mark Buell

24-0171

AUG 20 2024

FROM: Airport Director

SUBJECT: Authorization to Seek Board of Supervisors Approval for Award of Term Contract No. 71100 to Gillig, LLC in an Amount Not to Exceed $69,417,759.56 for the Purchase of up to Forty-Nine (49) Electric Transit Buses, with a Term of Four Years

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO SEEK BOARD OF SUPERVISORS APPROVAL FOR AWARD OF TERM CONTRACT NO. 71100 TO GILLIG, LLC, IN AN AMOUNT NOT TO EXCEED $69,417,759.56 FOR THE PURCHASE OF UP TO FORTY-NINE (49) 40-FOOT LOW-FLOOR BATTERY ELECTRIC TRANSIT BUSES, WITH A TERM OF FOUR YEARS.

Executive Summary

Staff seeks Commission authorization to seek Board of Supervisors approval for award of Term Contract No. 71100 to Gillig, LLC for the purchase of up to forty-nine (49) 40-foot low floor battery electric transit buses. This is a term contract to be split into multiple orders over four years. The first order will be for seven vehicles at a unit cost of $1,136,799.00 each plus tax for a first-order cost including taxes of $8,703,317.47. The Federal Aviation Administration (FAA) and the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (CA HVIP) have provided grants to partially cover the cost of this initial order, the acceptance of which was previously approved by this Commission. The total not-to-exceed amount of the Contract is $69,417,759.56, which includes a 6% inflationary factor for outer years. Pursuant to the San Francisco Administrative Code, the San Francisco Office of Contract Administration (OCA) issued an invitation for bids, which resulted in two bidders. The purchase fulfills a component of the Capital Plan, which the Commission previously approved.

Background

San Francisco International Airport (SFO or Airport) currently operates three bus lines and provided over 3.2 million unlinked passenger trips in Calendar Year 2023. Two bus lines are on-campus, and the third is the GoSFO Shuttle employee commuter line to

Hayward and Castro Valley. SFO is preparing to launch three additional commuter lines later this year.

SFO currently operates a fleet of 50 buses, 38 of which are at least 15 years old. The remaining 12 buses are 5-7 years old. While the Airport has historically been able to keep buses running and reliable up to 18 years or even beyond, the Federal Transit Administration (FTA) specifies a useful life of 12 years for transit buses. However, there is no guarantee that the 12 newer buses will prove as durable as the Airport's older fleet. Therefore, this Contract is designed to allow replacement of the entire existing fleet by 2029, by which time the current newest buses will be 10-12 years old. It will also provide purchasing flexibility for either fleet replacement and/or expansion of the GoSFO Shuttle Program.

Staff recommends the term contract approach because standardization of replacement parts and equipment improves maintenance efficiency by reducing the number and type of spare parts that need to be stocked and the number of systems on which staff need to be trained. A term contract allows the Airport to buy buses in installments over the four year term while still realizing any efficiency gains from standardization. As mentioned, the first order will be for seven vehicles at a unit cost of $1,136,799.00 each plus tax for a first-order cost including taxes of $8,703,317.47.

On May 2, 2024, OCA, which awards commodities contracts like vehicle procurements under the Administrative Code, acting on behalf of the Airport Commission, issued an invitation for bids for 40-foot battery electric transit buses. Two bidders submitted bids, and Staff determined that Gillig, LLC's bid was the lowest responsive and responsible bid at a cost of $1,136,799 plus taxes per bus.

SFO applied for and was awarded grant funding from the FAA and CA HVIP. Initial FAA grant funding will be 75% of the base purchase price plus up to $120,000 per bus for the initial seven buses from CA HVIP. This Commission previously approved acceptance of these grants by Resolution Nos. 22-0073, 22-0074, 23-0240, and 23-0241. These fund totals will be applied to our initial order of seven buses.

Recommendation

I recommend that the Airport Commission authorize Staff to seek Board of Supervisors approval for Term Contract No. 71100 to Gillig, LLC in a not-to-exceed amount of $69,417,759.56 for the purchase of up to forty-nine (49) electric transit buses, with a term of four years, as required for this award pursuant to San Francisco Charter Section 9.118(b).

Ivar C. Satero
Airport Director

Prepared by: Jeff Littlefield
Chief Operating Officer

Attachment